

## **\*2.6 FIRE BOND CONSTRUCTION MANAGER**

**Authorization of City Manager to Execute a Service Agreement with Harris & Associates, Inc., in an Amount of \$1,487,000 for Construction Management Services for the Fire Safety Bond Projects.**

### **Contact Person:**

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**Executive Summary:** Fremont voters passed a \$51 million Fire Safety Bond measure (Measure R) in November 2002 to retrofit seven fire stations, replace three fire stations with new facilities, and build a public safety training center. Staff has completed a selection process for construction management services for the entire program of work, based on the current project schedule and project definitions, and recommends that the City Council award a contract to Harris & Associates, Inc. for construction management services in an amount not to exceed \$1,487,000.

**BACKGROUND:** The table below describes the Fire Safety Bond projects and their status. The proposed construction manager, Harris & Associates, would be charged with providing pre-construction and construction services for the entire program of work, as described in more detail below. The scope of work will be defined more specifically as the Fire Bond projects are defined, with the Harris fees based upon specified hourly rates.

<b>Project:</b>	<b>Status:</b>
<ul style="list-style-type: none"><li>Seismic Retrofit of Fire Stations #4, 5, 9, and 10</li></ul>	Construction documents are out to bid, with bid opening scheduled in late May. Construction will start on Fire Stations #4 and #9 this summer, with construction on Fire Stations #5 and #10 to follow.
Major retrofit of Fire Station #7: <ul style="list-style-type: none"><li>Building expansion of approximately 3,000 square feet</li><li>Major solar power system planned</li><li>Additional storage building being programmed into work</li></ul>	<ul style="list-style-type: none"><li>Design development completed and construction documents underway.</li><li>Project to go out to bid in the fall, with construction starting in late fall or winter</li></ul>
Fire Station #8: <ul style="list-style-type: none"><li>New construction of a replacement fire station planned to be approximately 10,000 square feet with 3 bays and all related site improvements</li></ul>	<ul style="list-style-type: none"><li>One acre parcel acquired across from Brookvale Shopping Center</li><li>Initial community engagement on design issues completed</li><li>Council input on design will be sought this summer in conjunction with the other new fire stations</li></ul>

Fire Station #6:	<ul style="list-style-type: none"> <li>▪ New construction of a replacement fire station planned to be approximately 13,000 square feet with 4 bays and all related site improvements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Preferred site identified and City in negotiations with owner</li> <li>▪ Design and community engagement to commence this spring</li> </ul>
Fire Station #2:	<ul style="list-style-type: none"> <li>▪ New construction of a replacement fire station planned to be approximately 7,000 square feet with 2 bays and all related site improvements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Preferred site is the existing fire station site.</li> <li>▪ Community engagement and design underway.</li> </ul>
Major retrofit of Fire Stations #1 and #3		<ul style="list-style-type: none"> <li>▪ Design to begin when Fire Station #7 goes out to bid</li> </ul>
Training Center:	<ul style="list-style-type: none"> <li>▪ New construction of classrooms, Fire training tower and other Fire training areas, Police firing range, and all related site improvements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regional partnerships and site options being explored</li> <li>▪ Scheduled to be the last project designed and constructed</li> </ul>

The estimated hard costs of the above work is \$32.5 million, spread across 11 sites within four to five years. With the exception of the possible storage buildings and the training center, all of the Fire Bond projects will be built to essential service facility standards to withstand a major earthquake and continue to operate. Designing to these standards, however, increases the cost and complexity of construction and requires continuous inspection during construction.

Staff recommends engaging a construction management firm to assist with the large amount of construction activity resulting from the Fire Safety Bond. The City has used construction management firms for large capital facility projects such as the Jail and the Maintenance Center and staff believes that they represent a more cost effective solution than staffing up for the projects. The top construction management firms have the specialization and capacity to absorb the ebbs and flows of construction work and maintain tight project controls on all of the projects to ensure that the City's interests are protected on the job sites. With their vast construction experience, the top firms can also add value in the design and project management areas. For example, they can review and improve the accuracy of construction documents, thereby reducing change orders during construction.

To initiate the process for selecting the most qualified construction management firm, the City issued a Request for Proposals (RFP) covering a comprehensive set of services. The RFP was widely disseminated and 16 firms responded. A selection panel comprised of representatives from Fire and Engineering narrowed the list to six teams. These finalist teams presented their proposal and completed interviews with the staff panel.

The following criteria were used in the selection process:

- Demonstrated experience and qualifications (including education, training, licenses, experience, and past performance) of the firm and proposed key personnel in providing a comprehensive range of construction management services for comparable projects to the Fire Bond projects, with emphasis on essential service public facilities such as Fire Stations.

- Demonstrated experience of the firm and proposed key personnel working collaboratively and effectively with City staff and City consultants, contractors, community members and other participants in the construction projects.
- Demonstrated organizational capability of the firm and proposed key personnel to manage and meet client budget, project requirements and schedules.
- Demonstrated financial capability and acceptance of City's insurance, indemnity and standard contract requirements.
- Responsiveness of proposal to the Request for Proposals. The City evaluated the extent to which the proposed approach to the project, including staffing and staff roles, reflected a thorough understanding of the Fire Bond projects and associated issues.

On the basis of these criteria, staff further narrowed the field to two final candidates, Swinerton Management and Consulting and Harris & Associates, and asked each to prepare a proposal on a more detailed scope of work and to provide additional information on their proposed staff. After considerable due diligence on both firms and their proposed staff, the staff panel initiated negotiations with Harris & Associates.

**Qualifications of Harris and Associates:** Harris & Associates, established in 1974, specializes in public sector projects and has grown into a large construction management firm (currently #22 in Engineering News Record's Top 100 Construction Management Firms for 2003). It has the corporate knowledge and resources to address the various construction issues that could arise in the Fire Safety Bond projects. It has worked for the City on the Family Resource Center, the Niles street improvements and the current Maintenance Center project (Harris acquired the construction management firm initially awarded the project).

While overall company strength and reputation were considered, the key consideration in recommending Harris & Associates is the qualifications of its proposed Project/Construction Manager (PM/CM). The PM/CM has a construction background, having started out as a carpenter and general contractor. In addition to running his own general contracting firm and working for a general contractor company, the PM/CM worked for eight years as the City of Roseville's senior construction manager, where he managed the design and construction of a \$15 million police facility and a \$3.5 million fire training facility. He has worked the past 5 years for Harris & Associates where he has managed several essential service facility projects, including major fire station renovations and new fire stations. His projects have involved both construction services and pre-construction services such as constructability reviews. His references from clients, contractors, and design professionals are outstanding.

The PM/CM is proposed to staff the project from start to finish and manage the additional resources that will be needed as the new fire stations are under construction. The City will have a right to refuse for other staff assigned to the project, and will play an important role in striking the right balance between the cost of additional staff and the quality of the construction management services expected to be furnished through these additional staff. While always managing a construction project himself, the PM/CM also will provide strategic services to the Fire Bond team and maintain an overall Fire Bond schedule and cost-to-complete budgets.

**Scope of work:** The scope of work includes the following:

I. Pre-construction services

- a. Perform constructability and bidability review of plans and specifications at the design development stage and 90% Construction Documents stage
- b. Develop independent cost estimates at the 90% Construction Documents stage
- c. Develop and maintain master schedule and cost-to-complete estimates for all Fire Bond projects

II. Construction services

- a. Monitor work of the contractors and coordinate the work with the activities and responsibilities of the City's Project Manager and Architect to complete the project in accordance with the City's objectives of cost, time, and quality
- b. Provide field inspection of the work
- c. Establish procedures for coordination among the City, Architect, and contractor(s), and implement those procedures with respect to change orders, Requests for Information (RFIs), and shop drawings
- d. Assist with the procurement, negotiations and installation of supplemental bid packages for furnishing and equipping the buildings
- e. Keep all construction-related records
- f. Prepare punch list and assist with close-out

**Contract Amount and Funding:** The Contract's not-to-exceed amount of \$1,487,000 represents 4.6% of the total hard costs of the Fire Safety Bond program. This number is based on estimated hourly charges for all the Fire Bond projects as they are currently defined and scheduled. Should the projects change significantly as they are further developed (for example, the site and scale of the Training Center could change if regional partners are found), the contract amount would need to be revised accordingly.

Staff reviewed fee proposals from all 16 interested firms on the comprehensive scope of work contained in the Request for Proposals. Staff also reviewed the fee proposal from Swinerton Management & Consulting that was based on the same detailed scope of work included in the proposed service agreement with Harris & Associates. On the basis of the fee information collected in the selection process, staff considers the contract amount to be reasonable for the scope of work and quality of services provided by Harris & Associates. It is within the working budget for construction management services for the Fire Bond program.

Funding for this contract is available from the proceeds of the Fire Safety Bonds. The first issue of \$10 million was sold in July and subsequent issues will be sold as needed.

**ENCLOSURE:** None.

**RECOMMENDATION:**

1. Award a contract to Harris & Associates for construction management services in an amount of \$1,487,000.
2. Authorize City Manager or her designee to execute a service agreement with Harris & Associates, Inc., for construction management services in an amount not to exceed \$1,487,000.
3. Appropriate funds from the Fire Safety Bond revenue fund (208) to the Fire Bond projects as follows to support construction management services: Fire Station #1 PWC.8551.6105 (\$155,029); Fire Station #2 PWC.8549.6105 (\$155,029); Fire Station #3 PWC.8552.6105 (\$96,013); Fire Station #4 PWC.8555.6105 (\$29,431); Fire Station #5 PWC.8554.6105 (\$19,813); Fire Station #6 PWC.8531.6105 (\$287,867); Fire Station #7 PWC.8550.6105 (\$145,042); Fire Station #8 PWC.7838.6105 (\$197,735); Fire Station #9 PWC.8556.6105 (\$22,349); Fire Station #10 PWC.8553.6105 (\$37,885); Training Center PWC.8557.6105 (\$340,807).

